

DFAS Chief Says Pay Will Be OK, Despite Y2K

by Mr Jim Garamone
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WASHINGTON—Extinction looms for the last Y2K bug that may be hiding in DoD payroll systems, the Defense Finance and Accounting Service director said in a recent interview. All DFAS payroll computer software has proved Year 2000 compliant and all will be operating on compliant hardware by March 31, Gary W. Amlin said. "I am very confident that all DoD civilians, military members and retirees will in fact get paid after January 1, 2000," he said. The service pays 5 million people per month.

The Year 2000 problem, nicknamed Y2K and millennium bug, refers to a past computer industry practice of writing years with just two digits—1999 would be "99." Because of this digital shorthand, on January 1, 2000, some computer systems might treat "00" as "1900" or just shut down. Almost all systems—there are an estimated 10,000 just in DoD—are vulnerable and need to be checked and then, if necessary, fixed to handle the year change correctly. A computer system that can recognize the year 2000 is called compliant.

Amlin said the service began work on the problem three years ago. "Last year, it became our No. 1 priority," he said during an interview. "I feel confident we'll do extremely well."

But DFAS doesn't pay military members, civilians, and retirees on its own. It receives personnel information from the various personnel agencies. DFAS workers compute the pay and send the information to the Federal Reserve Bank, which then distributes payments electronically to thousands of financial institutions.

"The [Federal Reserve Bank] is compliant from a system standpoint and we will continue to test with them," Amlin said. DFAS started end-to-end testing of the payroll system this month. "[We're going] from personnel system to payroll to Federal Reserve Bank to financial institutions," he said.

Tests show the computer interface between DFAS and the Federal Reserve works, he remarked. The Federal Reserve Bank will support testing of Y2K solutions with selected stateside financial institutions, overseas DoD credit unions, and NationsBank, the defense contractor that provides banking services to all DoD personnel overseas.

The finance and accounting service is also working on contingency plans in case an unexpected Y2K crawls out. For example, back-up computer tapes will be on standby at the Federal Reserve Bank in case there's a data transmission problem. In addition, the service will have an extra stockpile of checks in case individual banks cannot post deposits.

"If an institution does not electronically receive a transaction, we can mail a check," he said. Depending on the situation, checks might be for the pay of one person, a handful or all the financial institution's DoD customers.

Amlin said the US financial community is one of the better prepared in the country as far as Y2K problems are concerned. "A recent Congressional study said the finance area is a leader in Y2K," he said.

He said service members, DoD civilians, and retirees should not stockpile money. "I'm not going to go out and store cash," he said.

Amlin recommends service members, DoD civilians, and retirees ask their financial institutions what they are doing to prevent Y2K problems. "I would imagine most [financial institutions] will include what they are doing on the monthly account statements," he said. "But if you don't see it, you should ask."

He also recommended doing any financial transaction early, if possible. "If you have to change allotments, change addresses, set up new accounts, you should do it early and not wait until December," he said.

Amlin has alerted the DFAS staff not to plan for holiday season leave this year. The service will try to "clear the pipeline" of financial transactions by late December, he said. The staff will stand by at year's end to handle any system problems that may arise.